THE HONOURABLE SHRI JUSTICE R.SUBHASH REDDY

WRIT PETITION No. 1540 of 2007

Dated 5th October, 2007

Between:

Apar Laboratories, represented by its
Director, Sri Piyush Agarwal,
Sravanthi Apartments, Srinagar Colony,
Hyderabad.

…Petitioner

And

The A.P.Mahesh Cooperative Urban Bank Ltd.
(Multi State Scheduled Bank), represented by
its General Manager, Sri Umesh Chand Asawa,
S/o Sri Radha Kishan Asawa, aged 45 years,
Off. At 5-3-989, 3rd floor, Sherza Estate,
N.S.Road, Hyderabad.

…Respondent.

ORAL ORDER:

The petitioner, a private limited company, has filed this writ petition questioning the notice issued under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

The petitioner was granted loan by the respondent-Cooperative Bank. The petitioner and its guarantors created mortgage by deposit of title deeds and created security interest in favour of the respondent-Bank. When the repayments were not paid, respondent initiated proceedings under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and issued demand notice.

While issuing notice before admission, this court, by order dated 29.1.2007 granted interim orders on condition of the petitioner depositing half of the demanded amount. But, it is submitted by the learned counsel for parties that as per the directions of this court, no amount was deposited till-date.

The impugned notice is questioned only on the ground that as much as the respondent-Bank has already initiated arbitration proceedings, these proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 are not maintainable.

Similar question arose for consideration in **M/s.Transcore v. Union of India**[1] wherein the Supreme Court held that realization of secured assets under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 is an additional remedy apart from the other

remedies which are available to the creditors. In that view of the matter, I do not find any valid ground to declare the impugned notice as illegal.

The writ petition is devoid of merits and is dismissed accordingly. No costs.

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5-10-2007 **R.SUBHASH REDDY, J.**

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[1] AIR 2007 SC 712